

FW: Background/Context on Financing

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Date: Wed, 16 Feb 2022 20:03:55 +0000

Not for further distribution – see below the update on various developments that SIRA is monitoring. This isn't final or approved, but interesting nonetheless in its draft mode.

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----- Original message -----

From: "s.38 (FINTRAC/CANAFE)" <s.38 @fintrac-canafe.gc.ca>
Date: 2022-02-14 4:39 p.m. (GMT-05:00)
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Subject: Background/Context on Financing

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Good afternoon s.38

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As requested, for your information, here's the background prepared related to the financing. Nothing much new—you've seen it all before (slight update on the s.38 s.38 We also note in the last section the connections to the strategic financial intelligence work done looking at IMVE Financing.

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Crowdfunding

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- (U) GiveSendGo is a crowdfunding site with connections to financing for the January 6th insurrection at the US Capitol. Similar to the first campaign, this crowdfunding campaign included donations from anonymous donors, and no identity verification for the public-facing names of donors.
- (U) As well, at least two Bitcoin fundraisers have been established for the protest and organizers have solicited direct donations through EMTs to the address, which is likely a source of funds for the protest.
- (U) As well, limited funds have been raised in the form of non-fungible tokens (NFTs), listed on a blockchain explorer with the label "#FREEDOMCONVOY22". These newly minted NFTs are being sold for up to 0.1 Ether coins at a time, or \$399.15 CAD.

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Reporting to FINTRAC

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- (Prot. B) Reporting entities (e.g., bank, virtual currency exchanges, money services businesses) must submit a Suspicious Transaction Report to FINTRAC in respect of a financial transaction that occurs or is attempted, and for which there are reasonable grounds to suspect that the transaction is related to the commission or attempted commission of a money laundering or terrorist activity financing offence. These have no monetary threshold. To date, Suspicious Transaction Reporting related to the convoy and its protests has been limited and informed by adverse media reporting.

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Non-Profit Organization Related to Crowdfunding

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- ~ (U) Since the suspension of the initial GoFundMe crowdfunding campaign, the organizers of the Freedom Convoy have established a separate GiveSendGo campaign. As per the GiveSendGo campaign, the funds raised were to be dispersed to a registered not-for-profit corporation, Freedom 2022 Human Rights and Freedoms.
- ~ (U) The purpose of the not-for-profit corporation, as listed in its articles of incorporation, is: Advocacy against government, agents of government and any other organization person or individuals' actions, laws, policies and practices that violate human rights and freedoms paying special attention to creation of class systems through mandates, social credit systems (rewards and punishments for government compliance), passport systems and more.

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OSINT Observations of Convoy-related Cryptocurrency Fundraising

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- ~ (U/FOUO) Crowdfunding for the Trucker Convoy on the blockchain began as early as January 28th 2022. Funds were pooling in one of the main wallets, a Tallycoin address (bc1qlc2gpmzrr9gded07d9a40lt2lq7pp2v7h4c5jx) until the February 9th when the first withdrawals from the wallet were observed. The peak balance in the address was approximately 11.5 Bitcoin (\$621,000 CAD) before the funds were withdrawn to other addresses and distributed to separate address. To date, the tally coin address and campaign has sourced almost \$1.12million CAD across approximately 2,200 separate deposits.

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- ~ (U/FOUO) Since the Tallycoin main address began distributing its funded contents on Feb 9th 2022, \$1.1mil CAD has been withdrawn from the main tallycoin address across 16 different withdrawals to various wallets.
 - ~ The majority of the addresses were given approximately 1 bitcoin from the original address, currently valued at about \$54,000 CAD. One of the addresses has gotten up to 5 bitcoin which is worth approximately \$225,000 CAD.

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- ~ (U/FOUO) The primary Tallycoin wallet is still receiving bitcoin donations as of Feb 14th 2022. These are now being disbursed quickly, rather than accumulating to a large balance and currently contains approximately 0.61 bitcoin, or approximately \$35,000 CAD.

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Behaviours Consistent with IMVE Financing

- ~ (Prot. B) Although the risk of the convoy-related fundraising being used to fund terrorist activity is currently low, the financing behavior of the trucker convoy is consistent with the financing trends observed amongst IMVE threat actors.
 - ~ (Prot. B) Generally, IMVE threat actors in Canada have been known to use virtual currencies to fund their activities. There is a growing use of cryptocurrency by IMVE threat actors, specifically by cross-border networks and organized groups. These threat actors typically send and receive funds to and from cryptocurrency exchange platforms, which have an obligation to report designated financial transactions to FINTRAC.
 - ~ (Prot. B) In some cases, individuals suspected of engaging in IMVE activity used cryptocurrency exchanges and their personal banking accounts to facilitate the flow of funds within the financing network.
 - ~ (Prot. B) The use of cryptocurrency by cross-border networks and organized groups could allow IMVE threat actors to raise significantly larger amounts of funds that would otherwise raise suspicions if conducted through regular personal or business banking accounts.
- ~ (Prot. B) The GiveSendGo campaign indicated that funds will be dispersed to a registered not-for-profit corporation, Freedom 2022 Human Rights and Freedoms.

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○~ (Prot. B) The use of corporate structures and new technologies such as cryptocurrency and NFTs points to a high level of understanding of regulatory oversight in Canada and the sophistication of the organizers of the Freedom Convoy.

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